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7                   UNITED STATES DISTRICT COURT  
8                   WESTERN DISTRICT OF WASHINGTON  
9                   AT SEATTLE  
10

11 PACIFIC NORTHWEST NEWSPAPER  
12 GUILD, CWA LOCAL 37082, a labor  
organization,

No. C07-1490Z

13 Plaintiff,  
14  
15 v.  
16

ORDER

17 HEARST COMMUNICATIONS, INC., a  
18 Delaware Corporation, owner of the  
19 SEATTLE POST-INTELLIGENCER,  
20  
21

Defendant.

22 This matter comes before the Court on Plaintiff's Motion for Summary Judgment,  
23 docket no. 12, and Plaintiff's Motion to Dismiss Counterclaims, docket no. 16. Having  
24 considered the briefs and declarations in support of, and in opposition to, the motions, and  
25 after having heard oral argument on January 24, 2008, the Court enters the following Order.

**BACKGROUND**

26     A.    **New Media Agreement – February 1998**

In February 1998, Plaintiff, the Pacific Northwest Newspaper Guild Communications  
Workers of America Local 37082 (the "Guild"), and Defendant Hearst Newspapers LLC  
(named in the Complaint as Hearst Communications, Inc.), d/b/a the Seattle Post-  
Intelligencer (the "P-I" or "Publisher"), signed an agreement that addressed the assignment of  
ORDER 1-

1 “new media” work to Guild and non-Guild employees. Iglitzin Decl., docket no. 13, Ex. F  
 2 (the “New Media Agreement” or “NMA”). The New Media Agreement recognized that the  
 3 P-I had created a “non-Guild New Media Department . . . to investigate and experiment with  
 4 a variety of new electronic services and products;” that “[e]mployees represented by the  
 5 Guild may be assigned to perform work for any new or existing service;” that Guild-covered  
 6 employees “will continued to be represented by the Guild and covered by the collective  
 7 bargaining agreement then in effect;” that “Guild-covered employees assigned to perform  
 8 work . . . for any new or existing service, project or product shall receive the compensation,  
 9 benefits, terms and conditions of each employee’s home department;” and that “[t]he  
 10 grievance process shall be limited to enforcing the contract on behalf of employees  
 11 represented by the Guild who are assigned to new or existing service, projects and  
 12 products.” Id., Ex. F at 1-2, ¶¶ 1-3 (emphasis added to Paragraph 3 of the NMA). The New  
 13 Media Agreement did not contain any “grievance process.” The New Media Agreement did  
 14 not contain a term of existence or any procedures for terminating the Agreement.

15       **B.     Guild’s Unilateral Termination of New Media Agreement – March 2006**

16       On March 28, 2006, the Guild sent the P-I a letter “as formal notification that the  
 17 union hereby terminates the New Media Agreement signed between the Guild and the Seattle  
 18 Post-Intelligencer in February 1998.” Iglitzin Decl., Ex. G. The Guild’s March 28, 2006  
 19 Letter further provided:

20       It has been eight years since the New Media Agreement was negotiated and  
 21 signed. As we both know, the convergence of web and print publishing means  
 22 that changes in technology and practices can render an agreement obsolete  
 23 after eight months, let alone eight years. We believe the New Media  
 24 Agreement has outlived its relevance, which is why ***we are terminating it at  
 this time.*** In addition, ***we are no longer interested in maintaining or  
 pursuing side agreements*** outside our contract. Such agreements tend to be  
 25 forgotten. Members rightly look for information in their contract, the  
 appropriate vehicle for such agreements.

26       Id., Ex. G (emphasis added).

**C. Collective Bargaining Agreement – August 2006**

2 On August 30, 2006, approximately five months after the Guild unilaterally  
3 terminated the New Media Agreement, the Guild and the P-I signed a collective bargaining  
4 agreement (the “CBA”). Iglitzin Decl., Ex. A.<sup>1</sup> The CBA is silent on issues raised in the  
5 New Media Agreement. See *id.*; Lynch Decl., docket no. 21, ¶ 14.

The CBA's preamble provides that the CBA "is made effective as of July 21, 2006," and further provides that the Guild represents "all the employees of the Publisher in the Editorial and Business Office," with enumerated exceptions. Iglitzin Decl., Ex. A at 1.

9 Article 2 of the CBA governs the Guild's jurisdiction:

## ARTICLE 2 - JURISDICTION

12 It is agreed that the Guild has, and shall retain, jurisdiction over all work  
13 presently being performed by Guild members in the Editorial and Business  
14 Office, except for those jobs specifically excluded under the Preamble of this  
*agreement. It is further agreed that new or additional work of the same type*  
*presently being performed by Guild members in the Editorial and Business*  
*Office shall be under the jurisdiction of the Guild.*

15 *Id.*, Ex. A at 2 (emphasis added). Article 10 of the CBA contains a grievance procedure and  
16 an arbitration clause, which provides in pertinent part:

## ARTICLE 10 - ADJUSTMENT OF DISPUTES

19 (A) A Grievance Committee, designated by the Guild, shall be established to settle amicably with a committee appointed by the Publisher, *all grievances arising under this contract.*

(B) A grievance shall be submitted only by a written notice from the complaining party to the other party briefly setting forth the facts giving rise to the grievance, the ground of complaint and the action sought. . . .

23                   (C) ***A grievance raised under (A) of this section, and not settled*** within thirty  
24                   (30) calendar days after receipt of the written notice hereinbefore described  
                  (this time may be extended by mutual agreement) ***may be submitted to***  
                  ***arbitration***, in accordance with the procedures hereinafter set forth, ***upon***  
                  ***written notice of either party served upon the other party.*** . . .

<sup>1</sup> Prior to 2006, the parties had entered into other collective bargaining agreements.

(1) The Publisher and the Guild shall jointly request from the American Arbitration Association a panel of eleven (11) arbitrators from the Washington and Oregon geographic region. Selection of an arbitrator shall be made in accordance with the rules and procedures of the American Arbitration Association (AAA). Nothing herein shall be construed as authorizing the AAA to select an arbitrator without the mutual agreement of the Publisher and the Guild.

(2) The arbitrator shall follow rules of procedure agreed to by the parties, but in the absence of the agreement thereon, the rules of the voluntary labor arbitration tribunal of the AAA shall govern.

(3) Notwithstanding any AAA rules, in any case where either party contests the arbitrability of the grievance, the arbitrator shall hold a separate proceeding and rule on that issue prior to hearing the matter on the merits.

Absent agreement of the parties, the issue of arbitrability shall be ruled on within ten (10) business days of the arbitrability hearing.

Iglitzin Decl., Ex. A at 7-8 (emphasis added). The CBA does not contain an integration clause.

#### **D. Guild's July 2, 2007 Grievance**

On July 2, 2007, the Guild submitted a grievance to the P-I, setting forth the following facts giving rise to the grievance, ground of complaint, and remedy sought:

### **Statement of Grievance:**

On June 7, 2007, the employer informed the Guild that a new position, called ‘online reporter,’ would be hired outside the jurisdiction of the bargaining unit.

Section(s) of Contract Violated (including but not limited to):

## **Article 2 (Jurisdiction); Preamble, and standards of reasonableness and fairness**

### **Remedy of Grievance:**

The position of ‘online reporter’ should be acknowledged as Guild work that is within the Union’s jurisdiction.

Iglitzin Decl., Ex. B.

1           **E.     Guild's August 30, 2007 Demand for Arbitration**

2           On August 30, 2007, the Guild filed a Demand for Arbitration with the American  
 3 Arbitration Association (the “AAA”). Iglitzin Decl., Ex. C. The P-I objected to arbitration  
 4 and asked the AAA to cease processing the Demand for Arbitration. *Id.*, Ex. D. First, the  
 5 P-I contended that the Guild failed to secure the consent of the P-I to select an arbitration  
 6 panel pursuant to Article 10, Section (C)(1) of the CBA. *Id.*, Ex. D at 1-2. The P-I  
 7 subsequently refused to consent to an arbitration panel. *Id.*, Exs. H, I. Second, the P-I  
 8 contended that the Guild’s grievance “involves matters of federal labor law that are not  
 9 subject to arbitration.” *Id.*, Ex. D at 2. On October 2, 2007, the AAA closed the file.  
 10 Siemer Decl., docket no. 20, Ex. 9.

11           **F.     P-I’s Petition for Unit Clarification**

12           On October 11, 2007, the P-I filed a “Petition for Unit Clarification,” with the  
 13 National Labor Relations Board (the “NLRB”). Iglitzin Decl., Ex. J. The P-I’s Petition for  
 14 Unit Clarification sought to exclude “all employees employed in the New Media  
 15 Department” from the Guild’s bargaining unit. *Id.*, Ex. J (Attachment to Unit Clarification  
 16 Petition, proposing an amendment to the description of the Guild’s bargaining unit in the  
 17 Preamble of the CBA).

18           **G.     Guild’s October 18, 2007 Letter**

19           On October 18, 2007, the Guild sent the P-I a letter “to clarify the intent of the Union  
 20 in filing and pursuing what has previously been referred to as the ‘Online Reporter  
 21 Grievance.’” Iglitzin Decl., Ex. K. The Guild’s October 18, 2007 Letter further provided:

22           As you know, Article II of our Agreement states that the Guild will have  
 23 ‘jurisdiction over all work presently being performed by Guild members in the  
 24 Editorial and Business Office,’ with certain exceptions. Based on this  
 25 language, it is our position that ***the P-I is not entitled to assign to any person  
 26 who is not in the Guild’s bargaining unit work of the type which was being  
 performed by Guild members in the Editorial and Business Office on or  
 about July 21, 2006.*** We believe that this work includes the reportorial work  
 which we believe and allege has subsequently been assigned to, and is

1 currently being performed by Monica Guzman, who you have designated an  
 2 ‘Online Reporter.’

3 It is ***not our intent, through this grievance, to attempt to include either***  
 4 ***Monica Guzman or the Online Reporter position within our bargaining unit,***  
 5 and we will not be seeking any arbitration decision awarding such a remedy.  
 6 ***The only remedy we seek, or will be seeking, is an order prohibiting the P-I***  
 7 ***from assigning reportorial work of the type currently being performed by the***  
***Online Reporter,*** which we contend is work which our members are  
 exclusively entitled to perform, ***to any P-I employee not included within the***  
***Guild’s bargaining unit,*** and an appropriate ‘make whole’ award to any Guild  
 members who may have lost wages or benefits as a result of the P-I’s contract  
 violation.

8 *Id.*, Ex. K at 1-2 (emphasis added); *see also* Siemer Decl., docket no. 20, Ex. 12 (Email from  
 9 Dmitri Iglitzin, dated Oct. 28, 2007, to Charles Cohen) (stating union position that no “unit  
 10 clarification” is necessary).

11 On October 29, 2007, the P-I asserted by letter that the Guild’s October 18, 2007  
 12 Letter “effectively constitutes a withdrawal of the Guild’s original grievance filed in July and  
 13 the submission of a new grievance which disputes the assignment of work by the P-I.”  
 14 Iglitzin Decl., Ex. M. The Guild responded by letter that it has not withdrawn, and will not  
 15 withdraw, the July Grievance. *Id.*, Ex. N at 1.

#### 16       **H. NLRB’s Dismissal of P-I’s Petition for Unit Clarification**

17 On October 29, 2007, the NLRB entered an Order dismissing the P-I’s Petition for  
 18 Unit Clarification based upon the “absence of any dispute about the unit placement of the on-  
 19 line reporter in the New Media department.” Iglitzin Decl., Ex. L at 2. The NLRB’s Order  
 20 explained: “As the [Guild] is not attempting to bring any unrepresented employee into an  
 21 existing bargaining unit, . . . this dispute is not one of unit scope, but rather one of contract  
 22 interpretation.” *Id.*

#### 23       **I. Present Action and Present Motions**

24 The Guild alleges that the P-I has breached Article 10 of the CBA by refusing to  
 25 arbitrate a dispute about the Guild’s jurisdiction over online reporter work under Article 2 of  
 26 the CBA. Complaint, docket no. 1, ¶¶ 5.1-5.4.

The P-I alleges in two counterclaims that: (1) the Guild has breached the CBA by not following the CBA's grievance processes with respect to the October 17, 2007 Letter, which the P-I refers to as the "October Grievance," and (2) the Guild has breached the CBA and the New Media Agreement by unilaterally attempting to repudiate the New Media Agreement and by seeking arbitration of the "October Grievance." Answer, Affirmative Defenses and Counterclaims of Defendant (the "Counterclaims"), docket no. 11, ¶¶ 26-32.

Two motions are pending before the Court. The Guild has filed a motion for summary judgment, docket no. 12, seeking an order to compel arbitration. The Guild has also filed a motion to dismiss the two breach of contract counterclaims, docket no. 16.

## **DISCUSSION**

### **I. Plaintiff's Motion for Summary Judgment, docket no. 12**

#### **A. Summary Judgment Standard**

Summary judgment is appropriate when the movant demonstrates that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law. FED. R. CIV. P. 56(c); *Addisu v. Fred Meyer, Inc.*, 198 F.3d 1130, 1134 (9th Cir. 2000).

#### **B. Arbitrability of Dispute**

##### **1. Applicable Law Favors Arbitration**

There is a presumption of arbitrability for labor disputes where the contract contains an arbitration clause. *AT & T Techs., Inc. v. Commc'n Workers of Am.*, 475 U.S. 643, 650 (1986). “An order to arbitrate the particular grievance should not be denied unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute. Doubts should be resolved in favor of coverage.” *Id.* (quoting *United Steelworkers of Am. v. Warrior & Gulf Navigation Co.*, 363 U.S. 574, 582-583 (1960)); *see also Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 24-25 (1983) (“[A]ny doubts concerning the scope of arbitrable issues should be resolved

1 in favor of arbitration.”). “In the absence of any express provision excluding a particular  
 2 grievance from arbitration,<sup>2</sup> . . . only the most forceful evidence of a purpose to exclude the  
 3 claim from arbitration can prevail.” AT & T Techs., 475 U.S. at 650 (quoting Warrior &  
 4 Gulf, 363 U.S. at 584-585).

5                   **2.        July Grievance Indisputably Within Scope of Arbitration Clause**

6                   Article 10, Section A provides that “all grievances arising under this contract” shall be  
 7 settled amicably, if possible, between a grievance committee designated by the Guild and a  
 8 committee appointed by the P-I. The July Grievance asserts that the dispute arises under the  
 9 preamble and Article 2 of the CBA. Iglitzin Decl., Ex. B.

10                  **3.        P-I’s Two Arguments in Opposition to Arbitration of July Grievance**

11                  The P-I argues that the Guild’s summary judgment motion should be denied, and  
 12 arbitration not compelled, because there are material disputes as to the “October Grievance”  
 13 and as to the status and effect of the New Media Agreement.

14                  **a.        The “October Grievance”**

15                  The parties debate the scope of the remedy sought in the July Grievance, as compared  
 16 to the remedy outlined in the October 17, 2007 Letter.<sup>3</sup> The P-I argues that by altering the  
 17 remedy, the Guild withdrew the July Grievance through the Guild’s October 18, 2007  
 18 Letter. Whether the Guild withdrew the July Grievance by sending the P-I a letter in  
 19 October to “clarify” the remedy should be considered in connection with the arbitration

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20  
 21                  <sup>2</sup> The parties, in Article 10, Section D, of the CBA, used language to expressly exclude  
 22 certain topics from the grievance and arbitration procedures. This shows that the parties  
 23 knew how to exclude a topic if they wanted to.

24                  <sup>3</sup> The P-I characterizes the October 17, 2007 Letter as a grievance, and then argues that the  
 25 Guild cannot compel arbitration of the “October Grievance” because the Guild has not  
 26 followed the grievance process in Article 10 of the CBA with respect to this letter. Neither  
 the Guild nor this Court considers the October 17, 2007 Letter to be a separately filed  
 grievance. See Pl.’s Reply to Mot. Summ. J., docket no. 30, at 4; Pl.’s Mot. Dismiss, docket  
 no. 29, at 3-4.

1 proceedings. Article 10, Section (C)(3) of the CBA requires an arbitrator to determine  
 2 arbitrability, even though normally arbitrability is an issue for the Court. The P-I argues that  
 3 courts should decide arbitrability where a matter is specifically excluded from arbitration,  
 4 but, here, the Guild's jurisdiction over online reporter work has not been specifically  
 5 excluded from arbitration. The P-I also argues that it should not be compelled to arbitrate  
 6 the remedy sought in the October 18, 2007 Letter because it is inconsistent with the remedy  
 7 sought in the July Grievance. The July Grievance is ambiguous as to whether the Guild's  
 8 intentions are to bring the online reporter position within the Guild's bargaining unit or, in  
 9 the alternative, to require the P-I to assign online reporter work to Guild members because  
 10 such work is within the Guild's jurisdiction. The July Grievance is susceptible to both  
 11 meanings, and is not necessarily inconsistent with the October 18, 2007 Letter. This lack of  
 12 inconsistency distinguishes the present case from Chicago Tribune Co. v. Chicago  
 13 Typographical Union No. 16/CWA 14408, 1992 U.S. Dist. LEXIS 13646 (N.D. Ill. 1992).  
 14 The Guild has met its burden of demonstrating the parties' intent to have an arbitrator decide  
 15 arbitrability. See Warrior & Gulf, 363 U.S. at 583 n.7. Accordingly, an arbitrator may  
 16 decide the arbitrability of the July Grievance in light of the October 17, 2007 Letter.

17                   **b.        New Media Agreement**

18                  The P-I argues that Paragraph 3 of the New Media Agreement bars the arbitration of  
 19 the July Grievance. The Court must determine whether Paragraph 3 of the New Media  
 20 Agreement represents "forceful evidence of a purpose to exclude the claim from arbitration."  
 21 See AT & T Techs., 475 U.S. at 650.

22                   **i.        Termination of New Media Agreement**

23                  A threshold issue is whether the Guild's March 28, 2006 Letter terminated the New  
 24 Media Agreement. This is a legal, not a factual, issue that can be determined on summary  
 25 judgment. The Guild argues that the New Media Agreement was terminable at will by either  
 26 party at any time because it had no express termination date and identified no other event at

1 which point it would cease to be in effect. See Commc'nns Workers of Am. AFL-CIO v.  
 2 Southwestern Bell Tel. Co., 524 F. Supp. 1031, 1034 (S.D. Tex. 1981) (“It is well settled  
 3 that a labor contract of indeterminate duration is terminable at will by either party upon  
 4 reasonable notice to the other party.”); see also Cascade Auto Glass, Inc. v. Progressive Cas.  
 5 Ins. Co., 135 Wn. App. 760, 766 (2006) (“When a contract for a continuing performance  
 6 fails to specify the intended duration, we construe it to be terminable-at-will by either party  
 7 after a reasonable time” upon “giv[ing] reasonable notice to the other party.”).

8       The P-I argues that the Guild failed to provide “reasonable notice” in compliance with  
 9 Section 8(d)(1) of the National Labor Relations Act (“NLRA”), which requires that notice of  
 10 termination of a collective bargaining agreement be served “sixty days prior to the time it is  
 11 proposed to make such termination.” 29 U.S.C. § 158(d)(1). Even assuming Section 8(d)  
 12 applies to the NMA, the Court lacks jurisdiction to determine whether the Guild’s March 28,  
 13 2006 Letter complied with Section 8(d). That is an issue for the NLRB. See Waggoner v.  
 14 Dallaire, 767 F.2d 589, 592 (9th Cir. 1985) (“[F]ederal courts lack jurisdiction to consider  
 15 claims based on violations of section 8 of the NLRA. Exclusive jurisdiction over section 8  
 16 claims rests with the National Labor Relations Board.”). Any claim by the P-I that the  
 17 Guild’s March 28, 2006 Letter violated Section 8(d) of the NLRA should have been filed  
 18 with the NLRB within six months of March 28, 2006. See 29 U.S.C. § 160(b).<sup>4</sup> The P-I  
 19 cannot now bring its Section 8(d) challenge before this Court. The P-I may have a breach of  
 20 contract claim for damages for the Guild’s failure to provide sixty days “reasonable notice”  
 21 of termination of the NMA (i.e., Counterclaims ¶ 30). However, the failure to provide  
 22 reasonable notice sixty days prior to March 28, 2006 does not compel a conclusion that the  
 23  
 24

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25       <sup>4</sup> The P-I argues that the applicable statute of limitations is six years, not six months;  
 26 however, the six year statute of limitations applies to the P-I’s counterclaim for breach of the  
 New Media Agreement, not the P-I’s claim that Section 8(d) was violated.

1 New Media Agreement was not terminated at the time the facts giving rise to the present  
 2 dispute arose.

3 As of June 2007, when the P-I allegedly informed the Guild that a new “online  
 4 reporter” position would be hired outside the jurisdiction of the Guild, the P-I had more than  
 5 a year’s notice of the Guild’s termination of the NMA. The P-I never contested the Guild’s  
 6 unilateral termination of the NMA. The Court concludes that the NMA was terminated as a  
 7 matter of law at the time the facts giving rise to the present dispute arose.

8                   **ii. Paragraph 3 of NMA Does Not Bar July Grievance**

9 If the Court were to find the New Media Agreement enforceable, which it does not,  
 10 then the Court would need to determine whether Paragraph 3 of the New Media Agreement  
 11 provides “forceful evidence of a purpose to exclude the claim from arbitration.” See AT & T  
Techs., 475 U.S. at 650. Paragraph 3 provides that “[t]he grievance process shall be limited  
 13 to enforcing the contract on behalf of employees represented by the Guild who are assigned  
 14 to new or existing service, projects and products.” Iglitzin Decl., Ex. F at 2, ¶ 3. Paragraph  
 15 3 is ambiguous, primarily because it refers to a “grievance process” not contained in the New  
 16 Media Agreement, and it limits such grievance process to enforcing “the contract,” without  
 17 defining the contract. The parties have proffered different reasonable interpretations of  
 18 Paragraph 3. The Court agrees with Plaintiff’s counsel’s statement at oral argument that “if  
 19 it is arguable, then it is arbitrable.” Paragraph 3 of the NMA does not provide “forceful  
 20 evidence” of a purpose to bar the July Grievance from arbitration.

21                   **4. Conclusion Re: Arbitrability**

22 The Court GRANTS Plaintiff’s Motion for Summary Judgment, docket no. 12, and  
 23 COMPELS arbitration of the July Grievance.<sup>5</sup>

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25                   <sup>5</sup> The Guild argued that fees have been awarded in similar cases where the employer has  
 26 refused to submit the dispute to arbitration. See Pl.’s Mot., docket no. 12, at 16. The Guild  
 does not formally move for fees, and the Court does not award any fees.

1       **II. Plaintiff's Motion to Dismiss Counterclaims, docket no. 16**

2       **A. Motion to Dismiss Standard**

3           The Guild moves to dismiss the P-I's counterclaims against the Guild under Rule  
 4 12(b) of the Federal Rules of Civil Procedure, for failure to exhaust non-judicial remedies.  
 5 The Guild argues that the P-I's counterclaims are subject to arbitration under the CBA. “[A]  
 6 motion to dismiss for a failure to exhaust non-judicial remedies is properly considered a  
 7 ‘non-enumerated’ Rule 12(b) motion,” rather than a motion to dismiss under Rule 12(b)(1)  
 8 for lack of subject matter jurisdiction. Inlandboatmens Union of Pac. v. Dutra Group  
 9 (“Dutra”), 279 F.3d 1075, 1078 n.2 (9th Cir. 2002) (quoting Ritza v. Int'l Longshoremen's  
 10 and Warehousemen's Union, 837 F.2d 365, 369 (9th Cir. 1988)).

11       **B. First Counterclaim – Failure to Exhaust Grievance Procedures Re: the**  
 12       **“October Grievance”**

13           In its first counterclaim, the P-I alleges that “the Guild has improperly attempted to  
 14 bypass the grievance processes set forth in Article 10 of the CBA and the parties' binding  
 15 past practice in connection with the October Grievance,” and “[a]ccordingly, the Guild's  
 16 actions constitute a breach of Article 10 of the CBA.” Counterclaims ¶¶ 27-28. The Guild  
 17 argues that the P-I should be compelled to arbitrate its first counterclaim because the P-I's  
 18 “grievance” arises under the CBA. However, the Guild admits that “the P-I has never filed  
 19 any grievance regarding its claim that the Guild breached the CBA or New Media Agreement  
 20 by filing the instant suit.” Pl.'s Reply Mot. Dismiss, docket no. 29, at 6. The P-I has not  
 21 presented its counterclaim as a grievance pursuant to Article 10 of the CBA. The Court  
 22 DISMISSES the first counterclaim, see Counterclaims ¶¶ 27-28, as moot based on the  
 23 Court's finding in connection with Plaintiff's summary judgment motion that the Guild is not  
 24 seeking to compel arbitration of any “October Grievance.”<sup>6</sup>

25 \_\_\_\_\_  
 26 <sup>6</sup> The P-I does not allege in its first counterclaim that the Guild failed to exhaust procedures under Article 10 of the CBA with respect to the *July* Grievance. Accordingly, the Court

1           **C.     Second Counterclaim Re: Breach of the New Media Agreement and CBA**

2           The P-I's second counterclaim has two distinct parts. First, the P-I alleges in the first  
 3 part of its second counterclaim that "[t]he Guild's unilateral attempt to repudiate the New  
 4 Media Agreement is a breach of that Agreement." Counterclaims ¶ 30. As noted above, the  
 5 P-I may have a valid claim for breach of the New Media Agreement based upon the Guild's  
 6 failure to provide "reasonable notice" of termination. Accordingly, the Court DENIES IN  
 7 PART Plaintiff's motion to dismiss the first part of the P-I's second counterclaim for breach  
 8 of the New Media Agreement, see Counterclaims ¶ 30. The Court declines to send the  
 9 second counterclaim to arbitration for the same reason as outlined with respect to the first  
 10 counterclaim – namely, that the P-I never filed any grievance regarding this claim. The  
 11 Court STAYS the case with respect to the first part of the second counterclaim, pending the  
 12 resolution of the arbitration of the Guild's July Grievance.

13           Second, the P-I alleges in its second counterclaim that "[t]he Guild's October  
 14 Grievance is precluded from the grievance process of the CBA by virtue of the New Media  
 15 Agreement," and that there has been "a breach of both the CBA and the New Media  
 16 Agreement." Counterclaims ¶¶ 31-32. The P-I argues that Paragraph 3 of the New Media  
 17 Agreement bars the arbitration of the October Grievance. Because the Court finds, as a  
 18 matter of law, that the Guild's March 28, 2006 Letter terminated the New Media Agreement,  
 19 Paragraph 3 of the New Media Agreement cannot bar the Guild from pursuing a grievance in  
 20 2007. Moreover, this second part of the P-I's second counterclaim is moot because, as  
 21 previously discussed, the Guild is not intending to compel arbitration of any "October  
 22 Grievance." The Court DISMISSES the second part of the P-I's second counterclaim for  
 23 breach of the CBA and New Media Agreement, see Counterclaims ¶¶ 31-32.

24  
 25 \_\_\_\_\_  
 26 disregards the Guild's arguments related thereto and denies the P-I's request to take  
 discovery with regard to Plaintiff's Demand for Arbitration of the July Grievance. Def.'s  
 Opp'n to Mot. Dismiss, docket no. 26, at 6 n.3.

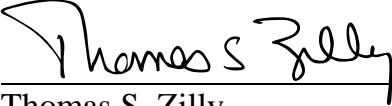
1           **CONCLUSION**

2           The Court GRANTS Plaintiff's Motion for Summary Judgment, docket no. 12, and  
3 COMPELS arbitration of the July Grievance. This Order fully resolves the claims in  
4 Plaintiff's Complaint, docket no. 1.

5           The Court GRANTS IN PART and DENIES IN PART Plaintiff's Motion to Dismiss  
6 Counterclaims, docket no. 16, as follows. The Court declines to send the first and second  
7 counterclaims to arbitration. The Court DISMISSES the first counterclaim, see  
8 Counterclaims ¶¶ 27-28, and the second part of the second counterclaim, see Counterclaims  
9 ¶¶ 31-32. The Court does not dismiss the first part of the second counterclaim, see  
10 Counterclaims ¶ 30, and STAYS the case with respect to this counterclaim, pending the  
11 resolution of the arbitration of the Guild's July Grievance. Upon the conclusion of the  
12 arbitration, the parties are directed to provide a joint status report to the Court and, if  
13 applicable, move the Court to reopen the case to consider the first part of the P-I's second  
14 counterclaim for breach of the New Media Agreement, see Counterclaims ¶ 30.

15           IT IS SO ORDERED.

16           DATED this 4th day of February, 2008.

17             
18           \_\_\_\_\_  
19           Thomas S. Zilly  
20           United States District Judge